

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2054

ANSWERED ON:15.03.2002

EXCISE DUTY OUTSTANDING AGAINST PETROLEUM COMPANIES

RAGHUNATH JHA

Will the Minister of FINANCE be pleased to state:

(a) whether some petroleum oil companies who imported oils did not pay a sum of Rs.4036.75 crore during April, 1994 to December, 1998 towards Central Excise to the Government;

(b) if so, whether the Government enquired into the matter; and

(c) if so, the outcome thereof and the action taken in the matter?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (GINGEE N.RAMACHANDRAN)

(a), (b) & (c) Sir, Comptroller and Auditor General of India vide Report No. 11 of 2000 pointed out non payment of duty of excise amounting to Rs.4036.75 crores during April 1994 to December, 1998. The Ministry did not admit the audit objection, inter alia, on the ground that petroleum oil companies who imported petroleum oils were liable to pay only custom duty (inclusive of countervailing duty). Such duty was paid as and when imports were effected. Since the imported goods are not manufactured indigenously, they are not subject to any duty of excise and no excise duty was payable on them for storage and clearance from an installation in the country.